

**Cotton Domestic Fundamentals:**

- Cotton prices remained steady to firm at major trading centers as millers and exporters were buying at lows.
- However supplies could increase post Dussehra and may pull markets in the coming week.
- Demand from exporters and millers persist in the market but may want to wait for the dip in prices before buying.
- ICAC says that global cotton stocks will likely rise 21% to 10.9 million metric tons as production is expected to exceed consumption.

**Weather Update**

- Dry weather conditions in the northern region of India.
- Scattered rain would occur of South A.P, interior Karnataka, North Tamil Nadu, South Madhya Maharashtra and Marathwada which may hinder crop pickings.

**Cotton International Fundamentals:**

- US Cotton futures finished lower amid higher export from U.S.
- Weakness in global financial markets is pressuring trade.
- However millers were buying at lows may continue to support the prices.

**Outlook: Domestic and International**

- **In the short term, domestic cotton prices move lower on higher acreage, better crop expectations and fresh arrival anticipation.**
- **U.S markets may trade lower on better crop from U.S and China.**

**NCDEX Kapas Futures: Updated price as on 04<sup>th</sup> October 2011**

Contract	+/-	Open	High	Low	Close
12-Feb	7.0	738.0	743.9	735.8	735.8
12-Mar	3.1	737.9	738.0	728.0	728.0
12-Apr	2.6	729.4	738.0	725.2	727.5

Contract	Volume	Change	OI	Change
12-Feb	6	1	141	1
12-Mar	5	5	35	-2
12-Apr	2892	945	7491	-50

Spread	Feb-12	Mar-12	Apr-12
Basis	126.2	134.0	134.5
Feb-12	-	-7.8	-8.3
Mar-12		-	-0.5
Apr-12			-

**NB:** Spread was done by taking Average of Spot prices at Ahmedabad market for Shankar cotton.

**MCX Kapas Futures: Updated price as on 04<sup>th</sup> October 2011**

Contract	+/-	Open	High	Low	Close
12-Mar	7.1	739.9	753.9	737.0	743.6
12-Apr	4.2	742.7	750.0	738.1	741.9

Contract	Volume	Change	OI	Change
12-Mar	522	417	546	90
12-Apr	371	168	1133	39

Spread	Mar-12	Apr-12
Basis	118.4	120.1
Mar-12	-	-1.7
Apr-12		-

**NB:** Spread was done by taking Average of Spot prices at Ahmedabad market for Shankar cotton.

**ICE Cotton Futures: 03/10/2011**

Contract	Open	High	Low	Close	Change
Oct-11	99.29	99.29	97.75	97.75	-0.96
Dec-11	100.35	100.65	98.25	99.21	-0.98
Mar-12	98.35	98.35	95.56	96.60	-0.82
May-12	96.03	96.04	94.50	95.40	-0.63
Jul-12	96.27	96.27	93.59	94.33	-1.21
Oct-12	93.81	93.81	93.81	93.81	-0.93

**Cotton Prices at Key Spot Markets**

Centre	Prices		Change
	03-10-11	01-10-11	
Kadi – Bt Cotton#	4650-4850	4650-4825	25
Amravati – Vunni Mech-1#	3500-4000	3500-4000	Unch
Ahmedabad – Shankar-6#	4000-4625	3750-4500	125
Abhor – J-34*	3700	3675	25
Muktsar – J-34*	3700	3675	25

\*-Rs/maund, #-Rs.qtl

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	03-10-11	01-10-11	
Kadi –Bt Cotton	60	50	10
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	12000	8000	4000
Abohar	300	200	100
Muktsar	300	200	100

**Kadi-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmedabad, Abohar and Muktsar-Bales**

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